

AMENDED IN SENATE SEPTEMBER 6, 2013

AMENDED IN SENATE SEPTEMBER 3, 2013

AMENDED IN SENATE JULY 10, 2013

AMENDED IN SENATE JUNE 25, 2013

AMENDED IN ASSEMBLY APRIL 16, 2013

AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 217**

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**Introduced by Assembly Member Bradford**  
(Principal coauthor: Senator De León)

January 31, 2013

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An act to amend Sections 2851 and 2852 of the Public Utilities Code, relating to energy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 217, as amended, Bradford. Electricity: solar electricity: low-income households.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Decisions of the commission adopted the California Solar Initiative administered by the state's 3 largest electrical corporations and subject to the commission's supervision. Existing law requires the commission to ensure that not less than 10% of the funds for the California Solar Initiative are utilized for the installation of solar energy systems, as defined, on low-income residential housing, as defined. Pursuant to this requirement, the commission adopted decisions that established the

Single-Family Affordable Solar Homes Program (SASH) and the Multifamily Affordable Solar Housing Program (MASH), pursuant to which the electrical corporations provide monetary incentives for the installation of solar energy systems on low-income residential housing. The SASH and MASH programs will operate until December 31, 2016, or until funds collected for the above purposes are exhausted, whichever occurs sooner.

This bill would, upon the expenditure or reservation of those funds reserved for low-income residential housing, authorize the surcharge collected by the electrical corporations for the California Solar Initiative to continue to provide funding for the administration of the SASH and MASH programs. The bill would require the commission to ensure the total amount resulting from the continued collection of the charge does not exceed \$108,000,000. The bill would extend the operation of the SASH and MASH programs to December 31, 2021, or until the exhaustion of that amount, whichever occurs sooner. The bill would require the SASH and MASH programs to meet specified requirements. The bill would make legislative findings and declarations that it is the goal of the state to install solar energy systems that have a generating capacity equivalent to 50 megawatts for low-income residential housing and that the commission designs a program that maximizes the overall benefit to ratepayers. Because a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime, this bill would impose a state-mandated local program by extending the application of a crime.

*This bill would incorporate additional changes in Section 2851 of the Public Utilities Code proposed in AB 102, SB 72, SB 84, and SB 96, to become operative if either AB 102, SB 72, SB 84, or SB 96, or any combination of those bills, and this bill become effective on or before January 1, 2014, and this bill is enacted last.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature finds and declares that it is the  
2     goal of the state to install solar energy systems that have a  
3     generating capacity equivalent to 50 megawatts for low-income  
4     residential housing. It is also the intent of the Legislature to ensure  
5     that the commission designs a program that maximizes the overall  
6     benefit to ratepayers.

7     SEC. 2. Section 2851 of the Public Utilities Code is amended  
8     to read:

9     2851. (a) In implementing the California Solar Initiative, the  
10    commission shall do all of the following:

11    (1) (A) The commission shall authorize the award of monetary  
12    incentives for up to the first megawatt of alternating current  
13    generated by solar energy systems that meet the eligibility criteria  
14    established by the Energy Commission pursuant to Chapter 8.8  
15    (commencing with Section 25780) of Division 15 of the Public  
16    Resources Code. The commission shall determine the eligibility  
17    of a solar energy system, as defined in Section 25781 of the Public  
18    Resources Code, to receive monetary incentives until the time the  
19    Energy Commission establishes eligibility criteria pursuant to  
20    Section 25782. Monetary incentives shall not be awarded for solar  
21    energy systems that do not meet the eligibility criteria. The  
22    incentive level authorized by the commission shall decline each  
23    year following implementation of the California Solar Initiative,  
24    at a rate of no less than an average of 7 percent per year, and,  
25    except as provided in subparagraph (B), shall be zero as of  
26    December 31, 2016. The commission shall adopt and publish a  
27    schedule of declining incentive levels no less than 30 days in  
28    advance of the first decline in incentive levels. The commission  
29    may develop incentives based upon the output of electricity from  
30    the system, provided those incentives are consistent with the  
31    declining incentive levels of this paragraph and the incentives  
32    apply to only the first megawatt of electricity generated by the  
33    system.

34    (B) The incentive level for the installation of a solar energy  
35    system pursuant to Section 2852 shall be zero as of December 31,  
36    2021.

37    (2) The commission shall adopt a performance-based incentive  
38    program so that by January 1, 2008, 100 percent of incentives for

1 solar energy systems of 100 kilowatts or greater and at least 50  
2 percent of incentives for solar energy systems of 30 kilowatts or  
3 greater are earned based on the actual electrical output of the solar  
4 energy systems. The commission shall encourage, and may require,  
5 performance-based incentives for solar energy systems of less than  
6 30 kilowatts. Performance-based incentives shall decline at a rate  
7 of no less than an average of 7 percent per year. In developing the  
8 performance-based incentives, the commission may:

9 (A) Apply performance-based incentives only to customer  
10 classes designated by the commission.

11 (B) Design the performance-based incentives so that customers  
12 may receive a higher level of incentives than under incentives  
13 based on installed electrical capacity.

14 (C) Develop financing options that help offset the installation  
15 costs of the solar energy system, provided that this financing is  
16 ultimately repaid in full by the consumer or through the application  
17 of the performance-based rebates.

18 (3) By January 1, 2008, the commission, in consultation with  
19 the Energy Commission, shall require reasonable and cost-effective  
20 energy efficiency improvements in existing buildings as a condition  
21 of providing incentives for eligible solar energy systems, with  
22 appropriate exemptions or limitations to accommodate the limited  
23 financial resources of low-income residential housing.

24 (4) Notwithstanding subdivision (g) of Section 2827, the  
25 commission may develop a time-variant tariff that creates the  
26 maximum incentive for ratepayers to install solar energy systems  
27 so that the system's peak electricity production coincides with  
28 California's peak electricity demands and that ensures that  
29 ratepayers receive due value for their contribution to the purchase  
30 of solar energy systems and customers with solar energy systems  
31 continue to have an incentive to use electricity efficiently. In  
32 developing the time-variant tariff, the commission may exclude  
33 customers participating in the tariff from the rate cap for residential  
34 customers for existing baseline quantities or usage by those  
35 customers of up to 130 percent of existing baseline quantities, as  
36 required by Section 739.9. Nothing in this paragraph authorizes  
37 the commission to require time-variant pricing for ratepayers  
38 without a solar energy system.

39 (b) Notwithstanding subdivision (a), in implementing the  
40 California Solar Initiative, the commission may authorize the award

1 of monetary incentives for solar thermal and solar water heating  
2 devices, in a total amount up to one hundred million eight hundred  
3 thousand dollars (\$100,800,000).

4 (c) (1) In implementing the California Solar Initiative, the  
5 commission shall not allocate more than fifty million dollars  
6 (\$50,000,000) to research, development, and demonstration that  
7 explores solar technologies and other distributed generation  
8 technologies that employ or could employ solar energy for  
9 generation or storage of electricity or to offset natural gas usage.  
10 Any program that allocates additional moneys to research,  
11 development, and demonstration shall be developed in  
12 collaboration with the Energy Commission to ensure there is no  
13 duplication of efforts, and adopted by the commission through a  
14 rulemaking or other appropriate public proceeding. Any grant  
15 awarded by the commission for research, development, and  
16 demonstration shall be approved by the full commission at a public  
17 meeting. This subdivision does not prohibit the commission from  
18 continuing to allocate moneys to research, development, and  
19 demonstration pursuant to the self-generation incentive program  
20 for distributed generation resources originally established pursuant  
21 to Chapter 329 of the Statutes of 2000, as modified pursuant to  
22 Section 379.6.

23 (2) The Legislature finds and declares that a program that  
24 provides a stable source of monetary incentives for eligible solar  
25 energy systems will encourage private investment sufficient to  
26 make solar technologies cost effective.

27 (3) On or before June 30, 2009, and by June 30th of every year  
28 thereafter, the commission shall submit to the Legislature an  
29 assessment of the success of the California Solar Initiative program.  
30 That assessment shall include the number of residential and  
31 commercial sites that have installed solar thermal devices for which  
32 an award was made pursuant to subdivision (b) and the dollar value  
33 of the award, the number of residential and commercial sites that  
34 have installed solar energy systems, the electrical generating  
35 capacity of the installed solar energy systems, the cost of the  
36 program, total electrical system benefits, including the effect on  
37 electrical service rates, environmental benefits, how the program  
38 affects the operation and reliability of the electrical grid, how the  
39 program has affected peak demand for electricity, the progress  
40 made toward reaching the goals of the program, whether the

1 program is on schedule to meet the program goals, and  
2 recommendations for improving the program to meet its goals. If  
3 the commission allocates additional moneys to research,  
4 development, and demonstration that explores solar technologies  
5 and other distributed generation technologies pursuant to paragraph  
6 (1), the commission shall include in the assessment submitted to  
7 the Legislature, a description of the program, a summary of each  
8 award made or project funded pursuant to the program, including  
9 the intended purposes to be achieved by the particular award or  
10 project, and the results of each award or project.

11 (d) (1) The commission shall not impose any charge upon the  
12 consumption of natural gas, or upon natural gas ratepayers, to fund  
13 the California Solar Initiative.

14 (2) Notwithstanding any other provision of law, any charge  
15 imposed to fund the program adopted and implemented pursuant  
16 to this section shall be imposed upon all customers not participating  
17 in the California Alternate Rates for Energy (CARE) or family  
18 electric rate assistance (FERA) programs, including those  
19 residential customers subject to the rate limitation specified in  
20 Section 739.9 for existing baseline quantities or usage up to 130  
21 percent of existing baseline quantities of electricity.

22 (3) The costs of the program adopted and implemented pursuant  
23 to this section may not be recovered from customers participating  
24 in the California Alternate Rates for Energy or CARE program  
25 established pursuant to Section 739.1, except to the extent that  
26 program costs are recovered out of the nonbypassable system  
27 benefits charge authorized pursuant to Section 399.8.

28 (e) Except as provided in subdivision (f), implementing the  
29 California Solar Initiative, the commission shall ensure that the  
30 total cost over the duration of the program does not exceed three  
31 billion five hundred fifty million eight hundred thousand dollars  
32 (\$3,550,800,000). Except as provided in subdivision (f), financial  
33 components of the California Solar Initiative shall consist of the  
34 following:

35 (1) Programs under the supervision of the commission funded  
36 by charges collected from customers of San Diego Gas and Electric  
37 Company, Southern California Edison Company, and Pacific Gas  
38 and Electric Company. Except as provided in subdivision (f), the  
39 total cost over the duration of these programs shall not exceed two  
40 billion three hundred sixty-six million eight hundred thousand

1 dollars (\$2,366,800,000) and includes moneys collected directly  
2 into a tracking account for support of the California Solar Initiative.

3 (2) Programs adopted, implemented, and financed in the amount  
4 of seven hundred eighty-four million dollars (\$784,000,000), by  
5 charges collected by local publicly owned electric utilities pursuant  
6 to Section 2854. Nothing in this subdivision shall give the  
7 commission power and jurisdiction with respect to a local publicly  
8 owned electric utility or its customers.

9 (3) Programs for the installation of solar energy systems on new  
10 construction, administered by the Energy Commission, and funded  
11 by charges in the amount of four hundred million dollars  
12 (\$400,000,000), collected from customers of San Diego Gas and  
13 Electric Company, Southern California Edison Company, and  
14 Pacific Gas and Electric Company.

15 (4) The changes made to this subdivision by Chapter 39 of the  
16 Statutes of 2012 do not authorize the levy of a charge or any  
17 increase in the amount collected pursuant to any existing charge,  
18 nor do the changes add to, or detract from, the commission's  
19 existing authority to levy or increase charges.

20 (f) Upon the expenditure or reservation in any electrical  
21 corporation's service territory of the amount specified in paragraph  
22 (1) of subdivision (e) for low-income residential housing programs  
23 pursuant to subdivision (c) of Section 2852, the commission shall  
24 authorize the continued collection of the charge for the purposes  
25 of Section 2852. The commission shall ensure that the total amount  
26 collected pursuant to this subdivision does not exceed one hundred  
27 eight million dollars (\$108,000,000). Upon approval by the  
28 commission, an electrical corporation may use amounts collected  
29 pursuant to subdivision (e) for purposes of funding the general  
30 market portion of the California Solar Initiative, that remain  
31 unspent and unencumbered after December 31, 2016, to reduce  
32 that electrical corporation's portion of the total amount collected  
33 pursuant to this subdivision.

34 *SEC. 2.5. Section 2851 of the Public Utilities Code is amended*  
35 *to read:*

36 2851. (a) In implementing the California Solar Initiative, the  
37 commission shall do all of the following:

38 (1) (A) The commission shall authorize the award of monetary  
39 incentives for up to the first megawatt of alternating current  
40 generated by solar energy systems that meet the eligibility criteria

1 established by the ~~State Energy Resources Conservation and~~  
2 ~~Development Energy~~ Commission pursuant to Chapter 8.8  
3 (commencing with Section 25780) of Division 15 of the Public  
4 Resources Code. The commission shall determine the eligibility  
5 of a solar energy system, as defined in Section 25781 of the Public  
6 Resources Code, to receive monetary incentives until the time the  
7 ~~State Energy Resources Conservation and Development Energy~~  
8 Commission establishes eligibility criteria pursuant to Section  
9 25782. Monetary incentives shall not be awarded for solar energy  
10 systems that do not meet the eligibility criteria. The incentive level  
11 authorized by the commission shall decline each year following  
12 implementation of the California Solar Initiative, at a rate of no  
13 less than an average of 7 percent per year, and, *except as provided*  
14 *in subparagraph (B)*, shall be zero as of December 31, 2016. The  
15 commission shall adopt and publish a schedule of declining  
16 incentive levels no less than 30 days in advance of the first decline  
17 in incentive levels. The commission may develop incentives based  
18 upon the output of electricity from the system, provided those  
19 incentives are consistent with the declining incentive levels of this  
20 paragraph and the incentives apply to only the first megawatt of  
21 electricity generated by the system.

22 (B) *The incentive level for the installation of a solar energy*  
23 *system pursuant to Section 2852 shall be zero as of December 31,*  
24 *2021.*

25 (2) The commission shall adopt a performance-based incentive  
26 program so that by January 1, 2008, 100 percent of incentives for  
27 solar energy systems of 100 kilowatts or greater and at least 50  
28 percent of incentives for solar energy systems of 30 kilowatts or  
29 greater are earned based on the actual electrical output of the solar  
30 energy systems. The commission shall encourage, and may require,  
31 performance-based incentives for solar energy systems of less than  
32 30 kilowatts. Performance-based incentives shall decline at a rate  
33 of no less than an average of 7 percent per year. In developing the  
34 performance-based incentives, the commission may:

35 (A) Apply performance-based incentives only to customer  
36 classes designated by the commission.

37 (B) Design the performance-based incentives so that customers  
38 may receive a higher level of incentives than under incentives  
39 based on installed electrical capacity.



1 (C) Develop financing options that help offset the installation  
2 costs of the solar energy system, provided that this financing is  
3 ultimately repaid in full by the consumer or through the application  
4 of the performance-based rebates.

5 (3) By January 1, 2008, the commission, in consultation with  
6 ~~the State Energy Resources Conservation and Development~~ *Energy*  
7 Commission, shall require reasonable and cost-effective energy  
8 efficiency improvements in existing buildings as a condition of  
9 providing incentives for eligible solar energy systems, with  
10 appropriate exemptions or limitations to accommodate the limited  
11 financial resources of low-income residential housing.

12 (4) Notwithstanding subdivision (g) of Section 2827, the  
13 commission may develop a time-variant tariff that creates the  
14 maximum incentive for ratepayers to install solar energy systems  
15 so that the system's peak electricity production coincides with  
16 California's peak electricity demands and that ensures that  
17 ratepayers receive due value for their contribution to the purchase  
18 of solar energy systems and customers with solar energy systems  
19 continue to have an incentive to use electricity efficiently. In  
20 developing the time-variant tariff, the commission may exclude  
21 customers participating in the tariff from the rate cap for residential  
22 customers for existing baseline quantities or usage by those  
23 customers of up to 130 percent of existing baseline quantities, as  
24 ~~required by Section 80110 of the Water Code.~~ 739.9. Nothing in  
25 this paragraph authorizes the commission to require time-variant  
26 pricing for ratepayers without a solar energy system.

27 (b) Notwithstanding subdivision (a), in implementing the  
28 California Solar Initiative, the commission may authorize the award  
29 of monetary incentives for solar thermal and solar water heating  
30 devices, in a total amount up to one hundred million eight hundred  
31 thousand dollars (\$100,800,000).

32 (c) (1) In implementing the California Solar Initiative, the  
33 commission shall not allocate more than fifty million dollars  
34 (\$50,000,000) to research, development, and demonstration that  
35 explores solar technologies and other distributed generation  
36 technologies that employ or could employ solar energy for  
37 generation or storage of electricity or to offset natural gas usage.  
38 Any program that allocates additional moneys to research,  
39 development, and demonstration shall be developed in  
40 collaboration with the Energy Commission to ensure there is no

1 duplication of efforts, and adopted by the commission through a  
2 rulemaking or other appropriate public proceeding. Any grant  
3 awarded by the commission for research, development, and  
4 demonstration shall be approved by the full commission at a public  
5 meeting. This subdivision does not prohibit the commission from  
6 continuing to allocate moneys to research, development, and  
7 demonstration pursuant to the self-generation incentive program  
8 for distributed generation resources originally established pursuant  
9 to Chapter 329 of the Statutes of 2000, as modified pursuant to  
10 Section 379.6.

11 (2) The Legislature finds and declares that a program that  
12 provides a stable source of monetary incentives for eligible solar  
13 energy systems will encourage private investment sufficient to  
14 make solar technologies cost effective.

15 (3) On or before June 30, 2009, and by June 30th of every year  
16 thereafter, the commission shall submit to the Legislature an  
17 assessment of the success of the California Solar Initiative program.  
18 That assessment shall include the number of residential and  
19 commercial sites that have installed solar thermal devices for which  
20 an award was made pursuant to subdivision (b) and the dollar value  
21 of the award, the number of residential and commercial sites that  
22 have installed solar energy systems, the electrical generating  
23 capacity of the installed solar energy systems, the cost of the  
24 program, total electrical system benefits, including the effect on  
25 electrical service rates, environmental benefits, how the program  
26 affects the operation and reliability of the electrical grid, how the  
27 program has affected peak demand for electricity, the progress  
28 made toward reaching the goals of the program, whether the  
29 program is on schedule to meet the program goals, and  
30 recommendations for improving the program to meet its goals. If  
31 the commission allocates additional moneys to research,  
32 development, and demonstration that explores solar technologies  
33 and other distributed generation technologies pursuant to paragraph  
34 (1), the commission shall include in the assessment submitted to  
35 the Legislature, a description of the program, a summary of each  
36 award made or project funded pursuant to the program, including  
37 the intended purposes to be achieved by the particular award or  
38 project, and the results of each award or project.

1 (d) (1) The commission shall not impose any charge upon the  
2 consumption of natural gas, or upon natural gas ratepayers, to fund  
3 the California Solar Initiative.

4 (2) Notwithstanding any other provision of law, any charge  
5 imposed to fund the program adopted and implemented pursuant  
6 to this section shall be imposed upon all customers not participating  
7 in the California Alternate Rates for Energy (CARE) or family  
8 electric rate assistance (FERA) programs, including those  
9 residential customers subject to the ~~rate cap required by Section~~  
10 ~~80110 of the Water Code~~ *limitation specified in Section 739.9* for  
11 existing baseline quantities or usage up to 130 percent of existing  
12 baseline quantities of electricity.

13 (3) The costs of the program adopted and implemented pursuant  
14 to this section may not be recovered from customers participating  
15 in the California Alternate Rates for Energy or CARE program  
16 established pursuant to Section 739.1, except to the extent that  
17 program costs are recovered out of the nonbypassable system  
18 benefits charge authorized pursuant to Section 399.8.

19 (e) ~~In-Except as provided in subdivision (f),~~ implementing the  
20 California Solar Initiative, the commission shall ensure that the  
21 total cost over the duration of the program does not exceed three  
22 billion five hundred fifty million eight hundred thousand dollars  
23 (\$3,550,800,000). ~~The Except as provided in subdivision (f),~~  
24 financial components of the California Solar Initiative shall consist  
25 of the following:

26 (1) Programs under the supervision of the commission funded  
27 by charges collected from customers of San Diego Gas and Electric  
28 Company, Southern California Edison Company, and Pacific Gas  
29 and Electric Company. ~~The Except as provided in subdivision (f),~~  
30 *the* total cost over the duration of these programs shall not exceed  
31 two billion three hundred sixty-six million eight hundred thousand  
32 dollars (\$2,366,800,000) and includes moneys collected directly  
33 into a tracking account for support of the California Solar Initiative.

34 (2) Programs adopted, implemented, and financed in the amount  
35 of seven hundred eighty-four million dollars (\$784,000,000), by  
36 charges collected by local publicly owned electric utilities pursuant  
37 to ~~Section 387.5.~~ 2854. Nothing in this subdivision shall give the  
38 commission power and jurisdiction with respect to a local publicly  
39 owned electric utility or its customers.

(3) Programs for the installation of solar energy systems on new construction (*New Solar Homes Partnership Program*), administered by the ~~State Energy Resources Conservation and Development~~ Energy Commission, and funded by charges in the amount of four hundred million dollars (\$400,000,000), collected from customers of San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company. *If the commission is notified by the Energy Commission that funding available pursuant to Section 25751 of the Public Resources Code for the New Solar Homes Partnership Program has been exhausted, the commission may require an electrical corporation to continue administration of the program pursuant to the guidelines established for the program by the Energy Commission, until the funding limit authorized by this paragraph has been reached. The commission, in consultation with the Energy Commission, shall supervise the administration of the continuation of the New Solar Homes Partnership Program by an electrical corporation. An electrical corporation may elect to have a third party, including the Energy Commission, administer the utility's continuation of the New Solar Homes Partnership Program. After the exhaustion of funds, the Energy Commission shall notify the Joint Legislative Budget Committee 30 days prior to the continuation of the program.*

(4) The changes made to this subdivision by ~~the act adding this paragraph~~ Chapter 39 of the Statutes of 2012 do not authorize the levy of a charge or any increase in the amount collected pursuant to any existing charge, nor do the changes add to, or detract from, the commission's existing authority to levy or increase charges.

(f) *Upon the expenditure or reservation in any electrical corporation's service territory of the amount specified in paragraph (1) of subdivision (e) for low-income residential housing programs pursuant to subdivision (c) of Section 2852, the commission shall authorize the continued collection of the charge for the purposes of Section 2852. The commission shall ensure that the total amount collected pursuant to this subdivision does not exceed one hundred eight million dollars (\$108,000,000). Upon approval by the commission, an electrical corporation may use amounts collected pursuant to subdivision (e) for purposes of funding the general market portion of the California Solar Initiative, that remain unspent and unencumbered after December*

31, 2016, to reduce the electrical corporation's portion of the total amount collected pursuant to this subdivision.

SEC. 3. Section 2852 of the Public Utilities Code is amended to read:

2852. (a) As used in this section, the following terms have the following meanings:

(1) "Affordable housing cost," "affordable rent," and "lower income households" have the same meanings as in those set forth in Chapter 2 (commencing with Section 50050) of Part 1 of Division 31 of the Health and Safety Code.

(2) "California Solar Initiative" means the program providing ratepayer-funded incentives for eligible solar energy systems adopted by the Public Utilities Commission in Decision 05-12-044 and Decision 06-01-024.

(3) "Low-income residential housing" means any of the following:

(A) A multifamily residential complex financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, and for which either of the following applies:

(i) The rents of the occupants who are lower income households do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

(ii) The affordable units have been or will be initially sold at an affordable housing cost to a lower income household and those units are subject to a resale restriction or equity sharing agreement pursuant to the terms of the financing or financial assistance.

(B) A multifamily residential complex in which at least 20 percent of the total housing units are sold or rented to lower income households and either of the following applies:

(i) The rental housing units targeted for lower income households are subject to a deed restriction or affordability covenant with a public entity or nonprofit housing provider organized under Section 501(c)(3) of the Internal Revenue Code that has as its stated purpose in its articles of incorporation on file with the office of the Secretary of State to provide affordable housing to lower income households that ensures that the units will be available at an affordable rent for a period of at least 30 years.

1 (ii) The housing units have been or will be initially sold at an  
2 affordable cost to a lower income household and those units are  
3 subject to a resale restriction or equity sharing agreement, for  
4 which the homeowner does not receive a greater share of equity  
5 than described in paragraph (2) of subdivision (c) of Section 65915  
6 of the Government Code, with a public entity or nonprofit housing  
7 provider organized under Section 501(c)(3) of the Internal Revenue  
8 Code that has as its stated purpose in its articles of incorporation  
9 on file with the office of the Secretary of State to provide affordable  
10 housing to lower income households.

11 (C) An individual residence sold at an affordable housing cost  
12 to a lower income household that is subject to a resale restriction  
13 or equity sharing agreement, for which the homeowner does not  
14 receive a greater share of equity than described in paragraph (2)  
15 of subdivision (c) of Section 65915 of the Government Code, with  
16 a public entity or nonprofit housing provider organized under  
17 Section 501(c)(3) of the Internal Revenue Code that has as its  
18 stated purpose in its articles of incorporation on file with the office  
19 of the Secretary of State to provide affordable housing to lower  
20 income households.

21 (4) “Solar energy system” means a solar energy device that has  
22 the primary purpose of providing for the collection and distribution  
23 of solar energy for the generation of electricity, that produces at  
24 least one kilowatt, and produces not more than five megawatts,  
25 alternating current rated peak electricity, and that meets or exceeds  
26 the eligibility criteria established by the commission or the Energy  
27 Commission.

28 (b) In establishing the California Solar Initiative, no moneys  
29 shall be diverted from any existing programs for low-income  
30 ratepayers, or from cost-effective energy efficiency or demand  
31 response programs.

32 (c) (1) The commission shall ensure that not less than 10 percent  
33 of the funds for the California Solar Initiative, as specified in  
34 subdivision (e) of, or moneys collected pursuant to subdivision (f)  
35 of, Section 2851, are utilized for the installation of solar energy  
36 systems on low-income residential housing. Notwithstanding any  
37 other law, the commission may modify the monetary incentives  
38 made available pursuant to the California Solar Initiative to  
39 accommodate the limited financial resources of low-income  
40 residential housing.

1 (2) The commission may incorporate a revolving loan or loan  
2 guarantee program into the California Solar Initiative for  
3 low-income residential housing. All loans outstanding as of January  
4 1, 2022, shall continue to be repaid consistent with the terms and  
5 conditions of the program adopted and implemented by the  
6 commission pursuant to this subdivision, until repaid in full.

7 (3) All moneys set aside for the purpose of funding the  
8 installation of solar energy systems on low-income residential  
9 housing that are unexpended and unencumbered on January 1,  
10 2022, and all moneys thereafter repaid pursuant to paragraph (2),  
11 except to the extent those moneys are encumbered pursuant to this  
12 section, shall be utilized to augment existing cost-effective energy  
13 efficiency measures in low-income residential housing that benefit  
14 ratepayers.

15 (d) In supervising a program implementing the California Solar  
16 Initiative pursuant to this section, the commission shall ensure that  
17 the program does all of the following:

18 (1) Is designed to maximize the overall benefit to ratepayers.

19 (2) Requires participants who receive monetary incentives to  
20 enroll in the Energy Savings Assistance Program established  
21 pursuant to Section 382, if eligible.

22 (3) Provides job training and employment opportunities in the  
23 solar energy and energy efficiency sectors of the economy.

24 *SEC. 4. Section 2.5 of this bill incorporates amendments to*  
25 *Section 2851 of the Public Utilities Code proposed by this bill,*  
26 *Assembly Bill 102, Senate Bill 72, Senate Bill 84, and Senate Bill*  
27 *96. It shall become operative only if (1) this bill and either*  
28 *Assembly Bill 102, Senate Bill 72, Senate Bill 84, or Senate Bill*  
29 *96, or any combination of those bills, are enacted and become*  
30 *effective on or before January 1, 2014, (2) this bill and either*  
31 *Assembly Bill 102, Senate Bill 72, Senate Bill 84, or Senate Bill*  
32 *96, or any combination of those bills, amend Section 2851 of the*  
33 *Public Utilities Code, and (3) this bill is enacted after either*  
34 *Assembly Bill 102, Senate Bill 72, Senate Bill 84, or Senate Bill*  
35 *96, or any combination of those bills, in which case Section 2851*  
36 *of the Public Utilities Code, as amended by either Assembly Bill*  
37 *102, Senate Bill 72, Senate Bill 84, or Senate Bill 96, shall remain*  
38 *operative only until the operative date of this bill, at which time*  
39 *Section 2.5 of this bill shall become operative, and Section 2 of*  
40 *this bill shall not become operative.*

1     ~~SEC. 4.~~  
2     *SEC. 5.* No reimbursement is required by this act pursuant to  
3     Section 6 of Article XIII B of the California Constitution because  
4     the only costs that may be incurred by a local agency or school  
5     district will be incurred because this act creates a new crime or  
6     infraction, eliminates a crime or infraction, or changes the penalty  
7     for a crime or infraction, within the meaning of Section 17556 of  
8     the Government Code, or changes the definition of a crime within  
9     the meaning of Section 6 of Article XIII B of the California  
10    Constitution.